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By: **Delegates Miller, Cluster, Elliott, Hogan, and Stull**

Introduced and read first time: February 5, 2004

Assigned to: Environmental Matters

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A BILL ENTITLED

1 AN ACT concerning

2                                   **Ethics - Financial Disclosure Statements - Interests in Corporations and**  
3                                   **Partnerships**

4 FOR the purpose of repealing the requirement that certain financial disclosure  
5 statements include the address of certain publicly traded corporations;  
6 specifying that certain statements not include interest in certain retirement  
7 plans or profit sharing plans; providing that certain statements may not include  
8 interest in a mutual fund; specifying that certain statements not include  
9 interest in publicly traded corporations or transfers of interest in publicly traded  
10 corporations, except under certain circumstances; and generally relating to  
11 financial disclosure statements.

12 BY repealing and reenacting, with amendments,  
13 Article - State Government  
14 Section 15-607(c)  
15 Annotated Code of Maryland  
16 (1999 Replacement Volume and 2003 Supplement)

17 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
18 MARYLAND, That the Laws of Maryland read as follows:

19                                   **Article - State Government**

20 15-607.

21 (c) (1) [The] EXCEPT AS PROVIDED IN PARAGRAPH (5) OF THIS  
22 SUBSECTION, THE statement shall include a schedule of each interest held by the  
23 individual in a corporation, partnership, limited liability partnership, or limited  
24 liability company, whether or not the corporation, partnership, limited liability  
25 partnership, or limited liability company does business with the State.

26 (2) For each interest reported, the schedule shall include:

1 (i) the name and, EXCEPT FOR A PUBLICLY TRADED  
2 CORPORATION, THE address of the principal office of the corporation, partnership,  
3 limited liability partnership, or limited liability company;

4 (ii) subject to paragraph (3) of this subsection, the nature and  
5 amount of the interest held, including any conditions to and encumbrances on the  
6 interest;

7 (iii) except as provided in paragraph (4) of this subsection, if any  
8 interest was acquired during the applicable period:

9 1. the date and manner in which the interest was acquired;

10 2. the identity of the entity from which the interest was  
11 acquired;

12 3. if the interest was acquired by purchase, the nature and  
13 amount of the consideration given for the interest; and

14 4. if the interest was acquired in any other manner, the fair  
15 market value of the interest when it was acquired; and

16 (iv) if any interest was transferred, in whole or in part, during the  
17 applicable period:

18 1. a description of the interest transferred;

19 2. the nature and amount of the consideration received for  
20 the interest; and

21 3. if known, the identity of the entity to which the interest  
22 was transferred.

23 (3) (i) As to an equity interest in a corporation, the individual may  
24 satisfy paragraph (2)(ii) of this subsection by reporting, instead of a dollar amount:

25 1. the number of shares held; and

26 2. unless the corporation's stock is publicly traded, the  
27 percentage of equity interest held.

28 (ii) As to an equity interest in a partnership, limited liability  
29 partnership, or limited liability company, the individual may satisfy paragraph (2)(ii)  
30 of this subsection by reporting, instead of a dollar amount, the percentage of equity  
31 interest held.

32 (4) If an interest acquired during the applicable reporting period consists  
33 of additions to existing publicly traded corporate interests acquired by dividend or  
34 dividend reinvestment, and the total value of the acquisition is less than \$500, only  
35 the manner of acquisition is required to be disclosed under paragraph (2)(iii) of this  
36 subsection.

1 (5) THE STATEMENT IS NOT REQUIRED TO INCLUDE:

2 (I) EXCEPT FOR IRA'S AND ROTH IRA'S, ANY INTEREST IN A  
3 RETIREMENT PLAN OR PROFIT SHARING PLAN THAT HAS MORE THAN 25 MEMBERS;

4 (II) INTEREST IN A MUTUAL FUND;

5 (III) INTEREST IN PUBLICLY TRADED CORPORATIONS, UNLESS:

6 1. THE CORPORATION IS SUBJECT TO THE REGULATION OR  
7 AUTHORITY OF THE AGENCY THAT EMPLOYS THE INDIVIDUAL, OR THE INTEREST  
8 INVOLVES A VENDOR OR CONTRACTOR WITH THE AGENCY; OR

9 2. THE INDIVIDUAL OWNS THE GREATER OF 1,000 OR MORE  
10 SHARES OR A 3% OR GREATER INTEREST IN THE PUBLICLY TRADED CORPORATION;  
11 AND

12 (IV) TRANSFERS OF INTEREST IN PUBLICLY TRADED  
13 CORPORATIONS, UNLESS:

14 1. THE CORPORATION IS SUBJECT TO THE REGULATION OR  
15 AUTHORITY OF THE AGENCY THAT EMPLOYS THE INDIVIDUAL OR THE INTEREST  
16 INVOLVES A VENDOR OR CONTRACTOR WITH THE AGENCY; OR

17 2. THE INTEREST TRANSFERRED IS MORE THAN THE  
18 GREATER OF 1,000 SHARES OR A 3% INTEREST IN THE PUBLICLY TRADED  
19 CORPORATION.

20 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
21 October 1, 2004.